



To: All HOME & CDBG Recipients
From: IHFA Community Development Department
Date: October 11, 2002
Re: Post-Award Administrator Procurement

Notice: FSP-02-12

Administrator's of IHFA awards are often not identified on the Housing From Shelters to Homeownership applications that are submitted to IHFA. While this action is not a violation of IHFA policy, the action of intentionally excluding an administrator from an application because of the possibility that this entity will not pass the required threshold review but then procuring that same entity after an award is made is of concern. Additionally, neither applicants nor recipients may contract with a related party of an entity ineligible to participate in the funding cycle as a means of avoiding IHFA's threshold requirements.

Subsequently, when an award administrator is procured after an IHFA award is made, this entity must meet IHFA approval. IHFA will evaluate the administrator in the following areas:

- **Threshold Criteria #11:** *IHFA reserves the right to disqualify from funding any applicant, subrecipient, or administrator that has a history of disregarding the policies, procedures, or staff directives associated with administering IHFA programs or the programs of other affordable housing funders such as the U.S. Department of Housing and Urban Development, Rural Development, or Federal Home Loan Bank of Indianapolis. This includes being on the IHFA suspension list.*
- **Threshold Criteria #17:** *If an applicant, subrecipient, administrator, application preparer, or related parties submits more than one CDBG or HOME Housing from Shelters to Homeownership application for separate housing activities in a single funding round and the combined request exceeds \$1,000,000, none of that entity's submissions will be reviewed. IHFA will review the applications and the request amounts from the funding round in which the procuring organization was funded. The organization that is requesting to be procured as an administrator must be within the \$1,000,000 cap for that particular funding round.*
- **Threshold Criteria #18:** *The applicant, subrecipient, and administrator must pass IHFA's performance evaluation of time elapsed versus funds drawn as of the application deadline for all open, non-expired HOME or CDBG Housing from Shelters to Homeownership or HOME/RHTC grants for which it serves as an applicant, subrecipient, or administrator. This is calculated by taking the percent of time an award has been open and subtracting the percent of funds that have been expended. Funds expended will only count if the draw request is received by IHFA by the application deadline. Only whole months that have expired will be counted. An award is*

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considered open on the date the agreement is signed by IHFA's Executive Director. Good (<0%) and acceptable (0-15%) ratings will pass threshold. Applicants, subrecipients, or administrators with a poor (16-30%) rating will be carefully reviewed to determine performance capability. Applicants, subrecipients, or administrators with unacceptable (>30%) performance will fail threshold. A six-month grace period will be allowed for new awards (i.e., any award that is 6 months old or less will not be required to meet these same criteria). This criterion will be evaluated the day that the procuring organization requests approval of an administrator by IHFA.

A related party is defined as an entity that, either directly or indirectly, is wholly or partially owned or controlled by an applicant, subrecipient, administrator, or application preparer. And/or an entity in which an applicant, subrecipient, administrator, or application preparer has any financial interest.

Enclosed is the form that should be filled out and submitted to your IHFA Development Specialist when requesting to procure an award administrator after an award has been funded. The form is also available on IHFA's website at www.indianahousing.org.

The award recipient must receive IHFA approval prior to executing a contract with the administrator. Failing to receive approval may jeopardize receiving reimbursement for claims involving work conducted by the award administrator.

If you have any questions regarding this FSP memo, please contact your IHFA Development Specialist at (317) 232-7777 or toll-free at (800) 872-0371.

